

Minutes, Delaware Health Fund Advisory Committee

Friday, September 28, 2012

Attendance:

Rita Landgraf, Chair

Senator Patricia Blevins

Senator David McBride

Dr. Charles Reinhardt

Representative Michael Barbieri

Representative Edward Osienski

Absent:

Don Fulton

Senator Bethany Hall-Long

Bettina Riveros

Dr. Gregory Bahtiarian

I. Welcome and Introductions

The meeting began at 1:10 pm

II. Minutes

The minutes of the October 24th, 2011 meeting were approved with no changes.

III. Budget Update

Meaghan Brennan from OMB provided an update on Health Fund budget allocation and funds available.

Available for FY 13: \$26.0 million payment

 \$17.1 million reserve

 Total: \$44 million

FY 13 Budget spends \$40.7 million

HFAC Recommended \$34.7 million in spending plus \$2.5 million for an innovation fund for FY

13.

Available for FY 14:	\$25.9 million estimated payment
	\$3.3 million reserve
	\$ 1.56 million interest
Total:	\$30.7 million with reserve
	\$27.4 million without reserve

“Switch Funded” Programs not recommended for funding by HFAC were again funded in the FY 13 Budget with Health Fund dollars. These are the following:

- Delaware Health Children Program
- First Responders Vaccinations
- Hepatitis B Vaccine for DOC
- Medicaid for Workers with Disabilities
- 2 Year Nursing Expansion (OMB Contingencies & One-Time Items)
- 4 Year Nursing Expansion (OMB Contingencies & One-Time Items)

IV. Litigation Update

Thomas Brown, Esq. who is the Deputy Attorney General responsible for the Tobacco Master Settlement Agreement Litigation, provided an update regarding the ongoing 2003 NPM Adjustment Arbitration. The arbitration is ongoing, complex, costly, and contentious. Since the last HFAC meeting, Delaware was one of 12 states to receive a no-contest decision. This means that Delaware is not going to have a long and expensive hearing on the adjustment. However, in addition to the main litigation with the tobacco product manufacturers, there is a possibility that claims could be raised between states which are parties to the Arbitration. Disputed funds will not be released until the Arbitrators determine each State’s individual case which will likely be in 2014 at which time Delaware will likely receive a couple million dollars. He noted that smoking is down 1/3 in the United States since 1998, when the settlement was reached. Delaware has received \$354 million since 1998. He thanked the HFAC for their work and reiterated that the Delaware Statute and allocation process puts us in the best posture for the litigation/arbitration.

V. Procedures and Future Meetings

Reviewed process from prior years, where updates are provided at the first meeting and then programs were grouped into categories and then allocations were made without going into the reserve and programs were prioritized.

Spreadsheets were reviewed showing: the applications and comparing the FY12 Budget, FY 13 Budget, and FY 14 Request; the applications and how much HFAC recommended funding each

and how much each received in the FY 13 budget; and a spreadsheet titled "Scenario 1" that shows the applications and requested funds & FY 13 budget, grouped by the categories used in prior years. In addition to these spreadsheets, HFAC members received a summary of the applications and a cd with all of the complete applications for FY 14.

It was noted that the Wellness Center changed its name to the Cancer Support Community Delaware and that Medicaid submitted a combined application for several of its programs but it is for the same programs for the same total amount of funding.

This year, applications were requested from current recipients of Health Fund dollars. The Committee would like to see scenarios that show applicants receiving level funding and applicants receiving level funding or a reduced amount, if they requested the reduction. The Committee would like to hear from Children and Families First about changes to their program and would like to confirm that the reason the Del. Prescription Assistance Program is seeking less funding is a result of changes in insurance coverage.

VI. Other Business

HCR 55 established a Study Group to study and make recommendations on how the money received from the tobacco settlement can best be spent to meet the intent of the tobacco settlement agreement and to make recommendations on how to best utilize the talent and expertise of the HFAC to identify and provide initial funding for innovative programs to meet the objectives of the tobacco settlement agreement. The first meeting of the study group was this morning and so far 3 alternatives have been identified: not have HFAC, identify purely tobacco related programs and fund others through the General Fund; or use the settlement agreement funds just for innovative programs.

VII. Public Comment

An opportunity for public comment was provided but there were no comments from attendees.

VIII. Next Public Hearings:

October 1st, 2012
1:00 pm – 3:00 pm
DDDS, Fox Run
2540 Wrangle Hill Road, Suite 200

October 15, 2012, 1:00 – 3:00 pm
Appoquinimink State Service Center
Large Conference Room
122 Silver Lake Road, Middletown, DE 19709

November 9, 2012, 1:00 – 3:00 pm
Appoquinimink State Service Center
Large Conference Room

122 Silver Lake Road, Middletown, DE 19709

IX. Adjournment

The meeting adjourned at approximately 2:12 pm.

DRAFT